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RULEMAKING TO ESTABLISH ELECTRIC WEATHERIZATION STANDARDS	§ § §	**PUBLIC UTILITY COMMISSION OF TEXAS**

AEP TEXAS INC. AND ELECTRIC TRANSMISSION TEXAS LLC COMMENTS ON PROPOSED NEW 16 TAC § 25.55

AEP Texas Inc. and Electric Transmission Texas LLC (collectively in this proceeding as "AEP Companies") provide these comments on the Public Utility Commission of Texas ("Commission") proposed new 16 Texas Administrative Code (TAC) § 25.55, relating to weather emergency preparedness, to implement weather emergency preparedness measures for generation entities and transmission service providers (TSPs) in the Electric Reliability Council of Texas (ERCOT) power region, as required by Senate Bill 3 (SB 3), 87th Legislature Session (Regular Session). The AEP Companies are transmission service providers (TSP) serving in the ERCOT region and appreciate the opportunity to submit comments in this project.

I. Executive Summary

The AEP Companies appreciate the Commission's two-phase approach to implementing weather emergency preparedness reliability standards. Under this approach, the Commission can adopt enforceable rules by the statutory deadline and ensure that the electric industry has implemented weather emergency preparedness measures prior to the 2021-22 winter weather season. Generally, the Companies believe that the Commission's proposed § 25.55(f)(1)(E), (F) and (G) capture the three breaker and transformer related recommendations in the FERC-NERC Report, but recommend minor edits to more closely align the proposed rule with the FERC-NERC Report recommendations for transmission facilities. The AEP Companies also suggest minor clarifications to other sections.

II. Introduction

The Commission states that the proposed rule will require TSPs to implement key recommendations contained in the 2011 Report on Outages and Curtailments During the Southwest Cold Weather Event on February 1-5, 2011, jointly prepared by the Federal Energy Regulatory Commission and the North American Electric Reliability Corporation ("FERC-NERC

Report"). While the FERC-NERC Report notes that transmission outages did not contribute materially to transmission limitations during the 2011 event, it also finds that there were some breaker outages that caused issues. It noted that some breaker trips resulted from low air in the breaker, low sulfur hexafluoride (SF_6) gas pressure, failed or inadequate heaters, bad contacts, and gas leaks. The FERC-NERC Report contains three specific recommendations for Transmission Owner/Operators to address breaker and transformer performance.[1] The Companies believe that the Commission's proposed § 25.55(f)(1)(E), (F) and (G) capture the three breaker and transformer related recommendations in the FERC-NERC Report. Adopting these three provisions would address the Commission's intention that TSPs' weather emergency preparedness practices incorporate the FERC-NERC Report recommendations. The AEP Companies support adoption of (f)(1)(E), (f)(1)(F) and (f)(1)(G), and recommend minor edits to more closely align the proposed rule with the FERC-NERC Report recommendations for transmission facilities, as described in Section III.

The AEP Companies appreciate the Commission's desire to ensure that TSPs have implemented weather emergency preparedness measures that are intended to mitigate a reoccurrence of transmission breaker or transformer failures due to freezing temperatures between November 30, 2020 and March 1, 2021. Although the FERC-NERC Report did not include a similar recommendation, the AEP Companies are not opposed to including proposed (f)(1)(C) in the first phase of this rulemaking project. However, the AEP Companies propose revisions to clarify the language, as described in Section III.

The FERC-NERC Report recommended that Transmission Operators train operators in proper load shedding procedures and conduct periodic drills to maintain their load shedding skills. [2] The AEP Companies fully embrace this recommendation in our existing procedures and training and conduct load shedding drills. The AEP Companies believe these are important operational readiness tools within the weather emergency preparedness measures the companies utilize. The AEP Companies are intently focused on ensuring the weather emergency reliability measures have been successfully implemented prior to the 2021-22 winter weather season and the December 2021 winter weather readiness report deadline. The AEP Companies encourage the Commission to

[1] Report on Outages and Curtailments During the Southwest Cold Weather Event of February 1-5, 2011: Causes and Recommendations; Prepared by the Staffs of the Federal Energy Regulatory Commission and the North American Electric Reliability Corporation; August 2011; Electric Industry Recommendation 20; page 209.
[2] FERC-NERC Report, Recommendation 26, Page 212.

defer consideration of any new or additional training requirements until the second phase of the rulemaking project. The AEP Companies note that the FERC-NERC Report did not address the Commission's proposed § 25.55(f)(1)(A), (1)(B) and (1)(H). The AEP Companies respectfully request that the Commission defer consideration of these provisions to the second phase of the rulemaking process where the requirements can be fully developed and discussed by the stakeholders. In the event the Commission believes these provisions are within the phase one scope, the AEP Companies suggest revisions to clarify the specific provisions and their applicability to TSPs.

Additionally, the AEP Companies believe that due to the short timeline for phase one of this rulemaking, it is appropriate to defer consideration of the proposed 25.55(h) regarding weather-related failures by a TSP. The Companies agree this is an important topic to be addressed, and believe it merits more robust deliberation in phase two.

III. Comments on Specific Provisions

The AEP Companies offer these comments on specific provisions of proposed new § 25.55.

25.55(b)(1) Cold weather critical component

The AEP Companies believe the proposed definition of "cold weather critical components" may be appropriate for generation entities, but less so for TSPs. Specifically, the Commission proposes to define a cold weather critical component as any component that is susceptible to freezing, the occurrence of which is likely to lead to unit trip, derate, or failure to start. The AEP Companies do not believe that a TSP's breaker would be "de-rated" or a "transformer" would "fail to start" during a cold weather event. In phase one, the Companies suggest that the Commission avoid the use of an ambiguous term that is not used in the FERC-NERC Report. The AEP Companies recommend modifications in subsection (f) that more directly address TSPs' weather emergency preparations and operations of transmission substations without referring to cold weather critical components. In other words, the AEP Companies propose eliminating the use of the term "cold weather critical component" from the section applicable to TSPs.

25.55(b)(7) – Weather emergency preparation measures

The AEP Companies note that the definition includes a term "extreme weather conditions" that is itself not yet defined.

25.55(f)(1)

The AEP Companies propose revisions to 25.55(f)(1) to clarify that the scope of the rule and the required preparation is limited to weather emergency preparation measures, as defined in the proposed rule. These proposed revisions to 25.55(f)(1), (1)(A), (1)(C), and (1)(D) are shown in the AEP Companies' below. Additionally, the AEP Companies propose clarifying in (f)(1) that by December 1, 2021, a TSP must complete its winter weather emergency preparation measures for its high-voltage switching stations operating at or above 60kV, consistent with the definition of transmission facilities in 16 TAC § 25.192(c)(1). The AEP Companies consider a "high voltage switching station" to be a station that provides high-voltage transmission switching and/or transmission-voltage transformation. The proposed revision is shown below:

(1) By December 1, 2021, a transmission service provider must complete the following winter weather ~~preparations~~ emergency preparation measures for its ~~systems and facilities~~ high-voltage switching stations operating at or above 60 kV:

25.55(f)(1)(A)

Because the FERC-NERC Report does not directly address the availability of supplies in its recommendations, the AEP Companies suggest that the Commission defer its consideration until phase two of the rulemaking. If the Commission decides to include a provision related to supplies as a means of ensuring performance during the upcoming winter season, the AEP Companies propose revisions to (f)(1)(A) that are more appropriate for a TSP. The recommended revision eliminates the use of the terms "cold weather critical components" and "auxiliary fuels" which appear to be more applicable to generation entities than to TSPs, and substitutes "heaters" for "other materials" as examples of supplies the TSP should have available during cold weather conditions. The proposed revision is shown below:

(A) All weather emergency preparation measures ~~preparation~~ necessary to ensure that transmission facilities are capable of performing during ~~the sustained operation of all~~ cold weather ~~critical components during winter weather~~ conditions, including ensuring availability of supplies, such as chemicals,

~~auxiliary fuels,~~ and heaters ~~other materials~~, and personnel required to operate the transmission system and facilities;

25.55(f)(1)(B)

The FERC-NERC Report does not provide recommendations for Transmission Operators addressing design and operating limitations specified in (f)(1)(B) and (f)(1)(H) of the proposed rule. As a result, the AEP Companies believe these subparagraphs may exceed the scope of phase one of this rulemaking. If these provisions are within the phase one scope, the AEP Companies recommend revisions to clarify that the TSP is required to confirm the ability of its substations to operate within the design and operating limitations identified in subparagraph (1)(H). The proposed revision is shown below:

(B) Confirmation of the ability of ~~all systems and subsystems containing cold weather critical components required to operate each of~~ the transmission service provider' s substations to ~~ensure operation of each substation~~ operate within the design and operating limitations addressed in subparagraph (1)(H) of this paragraph;

25.55(f)(1)(C)

The FERC-NERC Report recommendations focus on transmission circuit breakers and transformers, and do not refer to cold weather critical components. The AEP Companies recommend revising this subparagraph to align it more closely with the FERC-NERC Report recommendations by replacing "cold weather critical component" with "circuit breaker or transformer." The AEP Companies also recommend clarifying that the provision applies to breaker or transformer failures that occurred due to freezing temperatures in the designated time period between November 30, 2020 and March 1, 2021. These proposed revisions are shown below:

(C) All ~~actions~~ weather emergency preparation measures necessary to prevent a reoccurrence of ~~any cold weather critical component~~ circuit breaker or transformer failure that occurred due to freezing temperatures in the period between November 30, 2020 and March 1, 2021;

25.55(f)(1(D)

As explained in the introduction, the AEP Companies are focused on implementation of weather emergency preparedness measures for the upcoming winter season, and believe the Commission should not include any new or additional training requirements in phase one of the rulemaking. The AEP Companies have incorporated information related to weather emergency preparation measures into the existing training for employees, including black start training and load shedding drills. New or additional training should not be required in the abbreviated time period allowed for implementation of phase one of the rule.

(D) Provision of training on winter weather emergency preparation measures ~~preparations~~ to operational personnel;

25.55(f)(1)(E)

Most of the AEP Companies' gas breakers utilize a temperature compensated gas pressure gauge. This gauge adjusts variable ambient temperatures to a corrected 68 degree Fahrenheit setting, which renders the recording of temperatures moot. The AEP Companies recommend correcting a typographical error, replacing "by" with "and" to align with the FERC-NERC Report recommendation regarding SF_6 gas in breakers. The proposed revision is shown below.

(E) Confirmation that the sulfur hexafluoride gas in breakers and metering and other electrical equipment is at the correct pressure and temperature to operate safely during extreme cold weather, and performance of annual maintenance that tests sulfur hexafluoride breaker heaters ~~by~~ and supporting circuitry to assure that they are functional:

25.55(f)(1)(G)

The AEP Companies propose revisions to this subparagraph that more closely track the FERC-NERC Report recommendation. The proposed revision makes it clear that TSPs must determine the ambient temperature to which their equipment is protected and ensure that the temperature requirements are met during operations. These proposed revisions are shown below.

(G) Determination of the ambient temperature to which the transmission service provider's equipment, ~~such as~~ including fire protection systems, ~~are~~ is protected, ~~including accounting for~~ taking into account the accelerated cooling effect of wind, ~~and confirmation~~ <u>to ensure</u> that temperature requirements are met during operations; and

<u>25.55(f)(1)(H)</u>

The FERC-NERC Report did not address the criteria identified in the Commission's proposed (f)(1)(H), and the AEP Companies believe such design, operating and other limitations are more appropriately addressed in phase two of the rulemaking. The ERCOT weather study and other information would provide a basis for a more robust deliberation of this topic. In the event the Commission decides to include the provision, the AEP Companies suggest replacing the term "cold weather critical components" with "circuit breakers and transformers," which would more precisely identify the types of transmission equipment addressed in the FERC-NERC Report. These revisions are shown below.

(H) Determination of minimum design temperatures, minimum operating temperatures, and other operating limitations based on temperature, precipitation, humidity, wind speed, and wind direction for substations ~~containing cold weather critical components~~ <u>circuit breakers and transformers</u>.

<u>25.55(f)(2)</u>

Given the short timelines for TSPs submitting the proposed winter weather readiness report and for ERCOT to prepare its summary of all the reports submitted, the AEP Companies urge the Commission and ERCOT to streamline the phase one report form that will be developed. Specifically, the AEP Companies suggest that the phase one report form include a summary sheet that confirms the TSP has completed the weather emergency preparation measures identified in (f)(1). The AEP Companies recommend that the report include a description of the weather emergency preparation measures taken by the TSP.

The AEP Companies propose one clarification below to limit activities to weather emergency preparation measures, as discussed above.

(2) By December 1, 2021, a transmission service provider must submit to the commission and ERCOT, on a form prescribed by ERCOT and developed

in consultation with commission staff, a winter-weather readiness report that:

(A) Describes ~~all activities~~ the weather emergency preparation measures taken by a transmission service provider to complete the requirements of paragraph (1) of this subsection; and

(B) Includes a notarized attestation sworn to by the transmission service provider's highest ranking representative, official, or officer with binding authority over the transmission service provider, attesting to the completion of ~~all activities~~ the weather emergency preparation measures described in paragraph (1) of this subsection and the accuracy and veracity of the information described in subparagraph (2)(A) of this subsection.

25.55(f)(3)

The proposed rule requires ERCOT to file with the Commission a summary of the winter weather readiness reports no later than December 10, 2021, along with a spreadsheet that delineates compliance with (f)(1). The AEP Companies suggest deleting the phrase "for all facilities subject to the requirements" as it appears unnecessary to describe the expected contents of the ERCOT summary of the winter weather readiness reports.

(3) No later than December 10, 2021, ERCOT must file with the commission a summary report of the winter weather readiness reports filed under paragraph (2) of this subsection, including a summary of compliance with the requirements of paragraph (1) and (2) of this subsection and a spreadsheet that delineates compliance with the requirements of paragraph (1) of this subsection. ~~for all facilities subject to the requirements~~.

25.55(g)(1) ERCOT inspections

The AEP Companies believe the rule should require ERCOT to provide sufficient notification to a TSP of a physical inspection of a transmission substation, primarily to allow for the TSP to make arrangements to escort the inspector and that all station entry criteria and protocols are adhered to during the inspection. The proposed revisions are shown below.

(g) Inspections for a transmission service provider.

(1) ERCOT inspections. ERCOT must conduct inspections of transmission systems and facilities for the 2021-2022 winter season and must prioritize its inspection schedule based on risk level. ERCOT may prioritize inspections based on factors such as whether a transmission system or facility is critical for electric grid reliability, has experienced a forced outage or other failure related to extreme weather conditions, or has other vulnerabilities related to extreme weather conditions. <u>ERCOT must provide the TSP sufficient notice that a physical inspection of its facilities will occur so that the TSP may make the appropriate arrangements to escort the inspector and to adhere to the TSP's safety and site accessibility training, including any necessary restrictions.</u>

<u>25.55(h) Weather-related failures by a transmission service provider to provide service</u>

The AEP Companies believe that the proposed section (h) regarding weather-related failures of a TSP addresses an important topic that should be thoroughly discussed and evaluated to achieve the desired objective. Consequently, the AEP Companies request that that the Commission defer consideration of this provision to phase two of the rulemaking.

In the event the Commission determines it should be included in phase one, the Companies believe section (h) should be modified. The proposed rule requires ERCOT to adopt rules that specify the circumstances under which ERCOT would require a TSP to contract with a qualified professional engineer to assess the TSPs preparation measures, plans, procedures, and operations. ERCOT must refer to the commission for enforcement any TSP that violates *this rule* and fails to cure the identified system or facility deficiencies within a reasonable period of time. [emphasis added] The proposed paragraph (h) refers to rules that ERCOT must adopt, and requires ERCOT to refer to the commission for enforcement any TSP that violates *this rule*. To avoid confusion, the AEP Companies suggest that the Commission clarify which rules are subject to referral to the Commission for enforcement.

IV. Conclusion

The AEP Companies appreciate the opportunity to provide these comments and look forward to working with the Commission and other stakeholders.

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RESPECTFULLY SUBMITTED,

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